GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:830
ANSWERED ON:28.11.2005
REPORT OF TASK FORCE ON DRUG PRICE
Kaushal Shri Raghuvir Singh

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has since received the reports from the Task Force and the Committee constituted on drugs price and their availability on reasonable rates;

(b) if so, the date on which this report was received and the main recommendations thereof ;

(c) whether the Government has accepted the recommendations of the Task Force; and

(d) if so, the details thereof ?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (d): A Task Force under the Chairmanship of Dr. Pronab Sen, Principal Adviser, Planning Commission was constituted to explore options other than price control to make available life saving drugs at reasonable prices.The Task Force has submitted its report to the Government on the 20th September, 2005. Some of the salient recommendations of Task Force are, that Price Controls should be imposed on the `essentiality` of the drug and not on the basis of turnover and it should be applied only to formulations and not to buik drugs. Some of the other major recommendations of Task Force are to promote generic drugs, to encourage public health facilities, to revive the Public Sector Enterprises in the manufacture of drugs, to provide fiscal incentives in R&D activities in drugs, to provide financial support for implementation of Schedule M of Drugs and Cosmetics Rules, to enact Drugs and Therapeutics (Regulation) Act, to establish a National Authority on Drugs and Therapeutics (NADT), to establish price negotiation process for new patented drugs, to streamline the bulk procurement regime, to exempt the excise duty, customs duty and other levies on cancer and anti HIV/AIDS drugs, to establish the State illness Funds in the States/Union Territories for BPL families, to reduce the excise duty on drugs from 18 to 8%,to enhance the exemption limit of SSI units from Rs.1 crores to Rs.5 crores, to establish a Settlement Commission which is authorized to settle the disputed overcharged amount from the pharma companies.The Government in consultation with various stakeholders is examining the recommendations of the Task Force. Based on this a new Pharmaceutical Policy is likely to be announced shortly.